

RENTAL ASSISTANCE DEMONSTRATION (RAD)

FACT SHEET #10: THE DIFFERENCE BETWEEN PROJECT-BASED VOUCHERS AND PROJECT-BASED RENTAL ASSISTANCE

WHAT IS RAD?

The **Rental Assistance Demonstration (RAD)** is a program of the Department of Housing and Urban Development (HUD) that seeks to **preserve affordable housing**.

Public housing units across the country need more than \$26 billion in repairs and many public housing agencies (PHAs) do not have enough money to keep units in good condition. RAD provides PHAs a way to repair units without depending on additional money from the government.

RAD allows PHAs to convert a public housing property's HUD funding to either:

- **Section 8 project-based voucher (PBV); or**
- **Section 8 project-based rental assistance (PBRA).**

This conversion of funding type lets PHAs borrow money to make needed repairs.

WHAT IS THE PROJECT-BASED VOUCHER (PBV) PROGRAM?

PBV PBV is part of the **Housing Choice Voucher (HCV)** program, which is operated by HUD's Office of Public and Indian Housing. PHAs with an HCV program provide rental vouchers that allow residents to choose their own housing in the private market.

PHAs can use some of their HCV funding for contracts that tied the HCV funding to a specific building, meaning that when a resident moves out, the housing assistance stays with that unit. These "project-based" contracts make up the PBV program.

FACT SHEETS FOR PUBLIC HOUSING RESIDENTS

This series of fact sheets will help public housing residents learn about RAD. All fact sheets are posted on RAD's website at www.hud.gov/rad, under the 'Residents' tab. This fact sheet explains the major difference between two types of HUD funding allowed for public housing RAD conversions: project-based vouchers (PBV) or project-based rental assistance (PBRA).

WHAT IS THE PROJECT-BASED RENTAL ASSISTANCE (PBRA) PROGRAM?

PBRA PBRA is another form of a project-based contract and is operated by HUD's Office of Multifamily Housing. In the PBRA program, like in PBV, rental assistance is tied to specific units in a property. Buildings with units assisted through PBRA are often owned and operated by private owners.

HOW MANY UNITS AT MY PROPERTY CAN CONVERT THROUGH RAD?

PBV Under RAD, PHAs will be allowed to receive funding for up to 50% of the units in a property. However, a PHA can receive funding for up to 100% of the units in a building if at least 50% of these units:

- House elderly or families with disabilities;
- House families receiving supportive services; or
- The unit is a single-family property.

PHAs converting public housing properties to the PBV program will often choose to make sure that at least 50% of the property's families are receiving supportive services.

PBRA There are no limits on how many units in a building can receive PBRA funding. Up to 100% of the units in a building can be assisted.

WILL MY PROPERTY REMAIN AFFORDABLE?

To receive PBV or PBRA funding, property owners will enter into a **Housing Assistance Payment (HAP) Contract**.

PBV For PBV, the initial HAP Contract term will be at least 15 years (or up to 20 years with the PHA's approval) and must be renewed.

PBRA For PBRA, the initial HAP Contract term will be 20 years and must be renewed.

When these contracts end, they must be renewed. Requiring that these contracts be renewed is a way to make sure these units will stay affordable for the long-term.

PROJECT BASED VOUCHERS (PBV)	PROJECT-BASED RENTAL ASSISTANCE (PBRA)
Operated by HUD's Office of Public and Indian Housing, as part of the Housing Choice Voucher (HCV) program	Operated by HUD's Office of Housing
50% of units in a building can be converted (or up to 100%)	100% of units in a building can be converted
Initial contract is 15 or 20 years and must be renewed	Initial contract is 20 years and must be renewed
You may request a Choice Mobility voucher after 1 year	You may request a Choice Mobility voucher after 2 years

WILL I BE ABLE TO CHOOSE WHERE I LIVE THROUGH RAD?

One of the goals of RAD is to give you a **greater choice in where to live**. If your property converts through RAD, after a certain amount of time, you may request a **Housing Choice Voucher (HCV)**. An HCV allows you to choose affordable housing in the private rental market, and the voucher stays with you when you move. This option in RAD is referred to as **Choice Mobility**.

PBV For PBV, you may request an HCV after living in a RAD property for one year. If your PHA does not have an HCV available at the time of your request, you will go on the waitlist to receive the next available HCV.

PBRA For PBRA, you may request an HCV after living in a RAD property for two years. If your PHA does not have an HCV available at the time of your request, you will go on the waitlist in the order your request was received.

DEFINITIONS:

- **Choice Mobility** – Through RAD, the option to obtain a Housing Choice Voucher (HCV) after a certain period of time.
- **Housing Assistance Payment (HAP) Contract** – A contract in which HUD agrees to provide funding for properties through PBV or PBRA.
- **Housing Choice Voucher (HCV)** – Rental vouchers that let people choose their own housing in the private rental market.
- **Project-Based Vouchers (PBV)** – Rental vouchers that are tied to a specific number of units in a building. The assistance stays with the unit after a tenant moves out.
- **Project-Based Rental Assistance (PBRA)** – A rental assistance contract tied to units in a specific building.
- **Turnover Voucher** – A voucher holder gives up their voucher and leaves the HCV program, making an HCV available for another person.